

# HOUSE BILL REPORT

## HB 2630

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**As Reported By House Committee On:**  
Natural Resources

**Title:** An act relating to warehouse receipts.

**Brief Description:** Changing warehouse receipts.

**Sponsors:** Representatives Schoesler, Mastin, Linville and Anderson; by request of Commissioner of Public Lands.

**Brief History:**

**Committee Activity:**

Natural Resources: 1/28/00, 2/2/00 [DP].

**Brief Summary of Bill**

- Modifies warehouse receipts issued for crops harvested on lands leased by the Commissioner of Public Lands.

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### HOUSE COMMITTEE ON NATURAL RESOURCES

**Majority Report:** Do pass. Signed by 10 members: Representatives Buck, Republican Co-Chair; Regala, Democratic Co-Chair; Anderson, Democratic Vice Chair; Sump, Republican Vice Chair; Clements; Eickmeyer; Ericksen; Pennington; Rockefeller and Stensen.

**Staff:** Bill Lynch (786-7092).

**Background:**

The Commissioner of Public Lands is authorized to lease state lands on a share crop basis. In exchange for leasing the land, the state receives a percentage of the crop which is later sold by the state. A share crop lease may not exceed 10 years in duration.

When a lessee of state lands harvests the crops covered by the lease, the lessee must notify the commissioner that the crop is being harvested, and provide the name and

address of the warehouse or elevator to which the crop is sold or will be stored. The lessee must also provide the owner of the warehouse or elevator a copy of the part of the lease indicating the percentage owned by the state and the percentage owned by the lessee.

The owner of the warehouse or elevator where the crop is stored or sold must make out two warehouse receipts for this crop. The owner of the warehouse or elevator must provide the state with a warehouse receipt that indicates the state's share of the crop, and the lessee with a separate warehouse receipt indicating the lessee's share of the crop. The warehouse receipts covering these share crops are not negotiable.

Not all crops which can potentially be covered by a warehouse receipt are specified in statute.

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**Summary of Bill:**

The owner of a warehouse or elevator, where a crop that is subject to a share crop lease from the Commissioner of Public Lands is stored or sold, is required to make out a single warehouse receipt indicating the percentage of crop owned by the state and the percentage of crop owned by the lessee. The warehouse receipt may be negotiable or non-negotiable, as directed by the state. All crops that are covered by a share crop lease may have a warehouse receipt issued for them.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This will modernize current practices and benefit lessees and the Department of Natural Resources.

**Testimony Against:** None.

**Testified:** Paul Silver, Department of Natural Resources.